COAL.

REGULATION 39-29-106.

- In addition to all other taxes, there is levied a tax upon the severance of coal from the earth within this state. The tax on coal is subject to an exemption of the first 300,000 tons per calendar quarter, which need not be prorated for taxable periods of less than a calendar quarter. This exemption is allowed for each person, which shall be considered to be any combined unitary economic interest consisting of one or more related operations that are supportive of, or dependent upon, each other for the production of coal. Such person shall be liable for the payment of the tax imposed.
- 2) Exemptions.
 - a) There is allowed a credit equal to fifty percent of the severance tax on production of lignitic coal.
 - b) There is allowed a credit equal to fifty percent of the severance tax on production of underground coal.
- 3) The rate of tax on coal shall be determined as follows:
 - a) The basic rate shall be 36c per ton of coal.
 - b) The rate shall be adjusted each quarter based upon changes in the Producer's Price Index All Commodities, (not seasonally adjusted) prepared by the U.S. Department of Labor, Bureau of Labor Statistics. Revisions to the Producer's Price Index shall not result in a further adjustment to the coal tax rate for a given quarter.
 - c) The adjustment shall be one percent of the basic rate for every full one and one-half percent change in the Producer's Price Index over the base period of January 1978. The tax rate for any quarter shall be the tax rate computed for the last month of the preceding quarter.